



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Norman H. Bangerter, Governor  
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355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 20, 1985

Mr. A. E. Dearth  
672 Mi Vida Drive  
Moab, Utah 84532

Dear Mr. Dearth:

RE: Permit Transfer and Reclamation Contract, Wood Mine,  
ACT/037/021, San Juan County, Utah

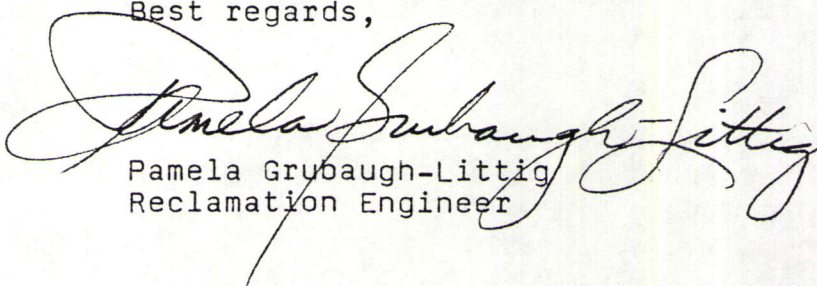
I have attached a copy of the guidelines for the reclamation self-bonding contract that were drafted and have been used as a guide since April 1983. As of late, the mined land reclamation contracts approved have been for large corporations.

There are other forms of bonding that may be pursued. They are: cash; treasury bills; an automatically renewable certificate of deposit; irrevocable letter of credit; and, the corporate surety.

The present amount that must be posted for this operation is \$32,181.00 (1986 dollars). When the surety is posted, the transfer of the permit will be completed.

If you have any questions about this, please don't hesitate to call.

Best regards,



Pamela Grubaugh-Littig  
Reclamation Engineer

btb  
Enclosures  
cc: Jim Holtkamp  
Ron Daniels  
8808R-51



## GUIDELINES FOR SELF-BONDING

### "CONTRACT"

There are three items that need to be included in mined land reclamation contracts:

1. an approved United States Securities and Exchange Commission Form 10-K Statement containing financial information for the preceding year shall be supplied annually throughout the term of the Agreement to the Division of Oil, Gas and Mining;
2. a corporate guarantee is needed from the parent company evidencing that they will guarantee the duties and obligations of the said company, if applicable;
3. should the Board at anytime determine that the Corporate guaranty is no longer an acceptable method of insuring the reclamation obligations, the Board reserves the right, subject to ninety (90) days prior written notice being given, to rescind the Agreement in its entirety.

In addition, if salvage value is included, this item will be handled separately. Salvage value should not be used to offset the bonding requirements. This is handled on a case by case basis.

*April 1983*